



JUL - 7 2005

The Honorable Robert L. Ehrlich, Jr.
Governor of Maryland
State House
100 State Circle
Annapolis, Maryland 21401

Dear Governor Ehrlich:

It is with pleasure that I respond to the State of Maryland's requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted three requests for waivers. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that a waiver would allow flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Accordingly, the state is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510, through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 2: Waiver to permit use of up to 10 percent of local area formula funds in the same manner as statewide funds.

These funds will support statewide activities targeted to adults, dislocated workers and youth. With this waiver, the state seeks to further its efforts to enhance services for incumbent workers and increase their participation in mainstream workforce investment activities. Accordingly, the State of Maryland is granted a waiver of the language that limits the authority to provide the activities identified in WIA Sections 129(b) and 134 to the state. This waiver will permit local areas to request to use up to 10 percent of local area formula allocation funds for adults, dislocated workers, and youth

to provide statewide employment and training activities identified at WIA Sections 129(b) and 134, through June 30, 2007. These funds must be tracked by funding stream.

Requested Waiver 3: Waiver to increase transfer authority of Local Workforce Investment Boards from the current 20 percent to 100 percent for Adult and Dislocated Worker funds.

This waiver request for funds transferability is consistent with one of the improvements that the Administration is seeking in the reauthorization of the Workforce Investment Act—the consolidation of the WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act (Employment Service) funding streams. Accordingly, the State of Maryland is granted a waiver of the funds transfer limitation at WIA Section 133(b)(4), through June 30, 2007. The waiver allows the state to approve local area requests to transfer up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs.

As provided for under paragraph 3 of the executed Agreement, the approved waivers are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, reading "Emily Stover DeRocco". The signature is fluid and cursive, with the first name "Emily" and last name "DeRocco" clearly legible.

Enclosure